

## Message Text

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46

ACTION EB-06

INFO OCT-01 NEA-06 ISO-00 TRSE-00 INR-05 RSC-01 /019 W

----- 026140

R 291430Z OCT 74

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 1004

LIMITED OFFICIAL USE BEIRUT 12920

EO 11652: NA

TAGS: EFIN APUB LE

SUBJ: FINANCIAL REPORT ON LEBANON

REF: STATE 235792; BEIRUT 12731

1. APPRECIATE REPLY ON REF REPORT AND LOOK FORWARD TO OBTAINING COPY AS SOON AS AVAILABLE.

2. FOR DEPT'S INFO, WE UNDERSTAND REPORT TO BE A BROAD SURVEY OF BEIRUT BANKING AND BEIRUT'S POTENTIAL AS REGIONAL OR WORLD FINANCIAL CERNT. IN ADDITION TO FINANCIAL STATISTICS AND CALCULATIONS NOT RPT NOT ORDINARILY AVAILABEL, REPORT REPUTEDLY CONTAINS CONCLUSION THAT BEIRUT HAS NO EDGE ON NEW YORK OR EUROPEAN FINANCIAL CENTERS OR EVEN SINGAPORE BECAUSE ITS CAPITAL MARKET UNSOPHISTICATED, BANKING SYSTEM SPLINTERED BY EXISTENCE OF MANY SMALL BANKS WHOSE CAPITALIZATION TOO SMALL TO HANDLE LARGE AMOUNTS PETRODOLLARS. REPORT MAY RECOMMEND THAT LEBANESE AUTHORITIES ENCOURAGE OR FORCE MERGER OF SMALLER BANKS AND ABOLISH LIMITATION ON COMMERCIAL BANKING LICENSES (INSTITUTED AFTER INTRA CRASH, LICENSES LIMITED TO 74, AT PRESENT UNTIL 1977).

3. REPORT WAS COMMISSIONED BY GOL FINANCE MINISTRY AND LIKELY BE INFLUENTIAL IN FUTURE GOL FINANCIAL SECTOR POLICY. WOULD THEREFORE BE EXTREMELY USEFUL REFERENCE DOCUMENT FOR INTERESTED USG AGENCIES AND EMBASSY.

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4. INCIDENTALLY WE UNDERSTAND THAT FINANCE

MINISTRY HAS ASKED THAT THE REPORT NOT RPT NOT BE  
RELEASED TO OTHER GOVTS.  
GODLEY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, ECONOMIC REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BEIRUT12920  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740308-0773  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 235792; BEIRUT 12731  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 JUL 2002 by kelleyw0>; APPROVED <11 MAR 2003 by boyleja>  
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30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FINANCIAL REPORT ON LEBANON  
**TAGS:** EFIN, APUB, LE  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005